

**UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

CORE SCIENTIFIC, INC., *et al.*,

Debtors.¹

)
) **Chapter 11**
)
) **Case No. 22-90341 (DRJ)**
)
) **(Jointly Administered)**
)

**THE AD HOC NOTEHOLDER GROUP'S EMERGENCY MOTION TO
ADJOURN HEARING ON MOTION OF AD HOC GROUP OF EQUITY
HOLDERS OF CORE SCIENTIFIC FOR ENTRY OF AN ORDER
DIRECTING THE APPOINTMENT OF AN OFFICIAL COMMITTEE
OF EQUITY SECURITY HOLDERS [DOCKET NO. 458]**

**EMERGENCY RELIEF HAS BEEN REQUESTED. RELIEF IS REQUESTED
NOT LATER THAN 3:30 P.M. (CENTRAL TIME) ON WEDNESDAY,
MARCH 1, 2023.**

**IF YOU OBJECT TO THE RELIEF REQUESTED OR YOU BELIEVE THAT
EMERGENCY CONSIDERATION IS NOT WARRANTED, YOU MUST
APPEAR AT THE HEARING IF ONE IS SET, OR FILE A WRITTEN
RESPONSE PRIOR TO THE DATE THAT RELIEF IS REQUESTED IN THE
PRECEDING PARAGRAPH. OTHERWISE, THE COURT MAY TREAT
THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF
REQUESTED.**

**A HEARING WILL BE CONDUCTED ON THIS MATTER ON
WEDNESDAY, MARCH 1, 2023 AT 3:30 P.M. (CENTRAL PREVAILING
TIME) IN COURTROOM 400, 4TH FLOOR, 515 RUSK, HOUSTON, TX 77002.
YOU MAY PARTICIPATE IN THE HEARING EITHER IN PERSON OR BY
AN AUDIO AND VIDEO CONNECTION.**

**AUDIO COMMUNICATION WILL BE BY USE OF THE COURT'S DIAL-IN
FACILITY. YOU MAY ACCESS THE FACILITY AT 832-917-1510. ONCE
CONNECTED, YOU WILL BE ASKED TO ENTER THE CONFERENCE
ROOM NUMBER. JUDGE JONES' CONFERENCE ROOM NUMBER IS
205691. VIDEO COMMUNICATION WILL BE BY USE OF THE
GOTOMEETING PLATFORM. CONNECT VIA THE FREE**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Core Scientific Mining LLC (6971); Core Scientific, Inc. (3837); Core Scientific Acquired Mining LLC (N/A); Core Scientific Operating Company (5526); Radar Relay, Inc. (0496); Core Scientific Specialty Mining (Oklahoma) LLC (4327); American Property Acquisition, LLC (0825); Starboard Capital LLC (6677); RADAR LLC (5106); American Property Acquisitions I, LLC (9717); and American Property Acquisitions, VII, LLC (3198). The Debtors' corporate headquarters and service address is 210 Barton Springs Road, Suite 300, Austin, Texas 78704.

GOTOMEETING APPLICATION OR CLICK THE LINK ON JUDGE JONES' HOME PAGE. THE MEETING CODE IS "JUDGEJONES". CLICK THE SETTINGS ICON IN THE UPPER RIGHT CORNER AND ENTER YOUR NAME UNDER THE PERSONAL INFORMATION SETTING. HEARING APPEARANCES MUST BE MADE ELECTRONICALLY IN ADVANCE OF BOTH ELECTRONIC AND IN-PERSON HEARINGS. TO MAKE YOUR APPEARANCE, CLICK THE "ELECTRONIC APPEARANCE" LINK ON JUDGE JONES' HOME PAGE. SELECT THE CASE NAME, COMPLETE THE REQUIRED FIELDS AND CLICK "SUBMIT" TO COMPLETE YOUR APPEARANCE.

The Ad Hoc Noteholder Group (the "Noteholder Group"), by its undersigned counsel, hereby submits this motion (the "Motion to Adjourn") to adjourn the hearing on the *Motion of Ad Hoc Group of Equity Holders of Core Scientific for Entry of an Order Directing the Appointment of an Official Committee of Equity Security Holders* (the "Equity Motion,") [Docket No. 458], currently scheduled for Wednesday, March 1, 2023, to a date to be determined, to allow a reasonable time for appropriate discovery to occur concerning the Equity Motion. In support of this Motion to Adjourn, the Noteholder Group respectfully sets forth and represents as follows:

NATURE OF EMERGENCY RELIEF

1. The Noteholder Group seeks entry of an order, substantially in the form attached hereto as Exhibit C (the "Order"), adjourning the hearing on the Equity Motion, currently scheduled for Wednesday, March 1, 2023 (the "Hearing"), to a date to be determined, to allow for necessary discovery to take place relevant to the Equity Motion.

BACKGROUND AND BASIS FOR RELIEF

2. The Ad Hoc Group of Equity Holders of Core Scientific (the "Equity Group") filed the Equity Motion on February 3, 2023, seeking to reverse the decision by the Office of the United States Trustee (the "U.S. Trustee") that rejected the Equity Group's request that the U.S. Trustee form an official equity committee in these Chapter 11 Cases. The U.S. Trustee's decision was made on a record, at least, of various submissions to it by the Equity Group (which are summarized in and made exhibits to the Equity Motion), a letter by the Noteholder Group opposing the

formation of an official equity committee, and, the Noteholder Group understands, an email from the Debtors also opposing the equity committee's formation.

3. Two days ago, on Wednesday, February 22, 2023, the Noteholder Group was informed that the Debtors had changed their position and no longer opposed the appointment of an official equity committee. No further details were provided. Accordingly, in order to ascertain the factual predicate of the Debtors' decision and the "settlement" with the Equity Group, the Noteholder Group served discovery requests earlier today (on February 24, 2023), upon the Equity Group and the Debtors seeking documents and depositions designed, in sum, to discover the pertinent facts and be able to present an appropriate factual record at the Hearing concerning the issues relevant to the Equity Motion and the "settlement." Copies of the Noteholder Group's discovery requests to the Equity Group and Debtors (the "Discovery"), are collectively annexed hereto as Exhibit A.

4. In light of the now extant need for discovery, the Noteholder Group requested that the Equity Group consent to adjourn the Hearing, but the Equity Group refused, thereby necessitating this Motion to Adjourn. Indeed, in an email refusing to adjourn the Hearing, counsel to the Equity Group expressly "note[d] that we have settled with the Debtors" *See* email exchange, annexed hereto as Exhibit B.

5. The Discovery to the Equity Group and Debtors, respectively, requests that documents be produced by 5:00 pm ET on Monday, February 27, 2023, and that depositions take place on Tuesday, February 28, 2023, in advance of the Hearing.² At the time of filing this Motion to Adjourn, neither the Equity Group nor the Debtors have committed to complying with the Discovery on the dates requested, which compliance is necessary in order for the Noteholder Group to prepare for and present evidence at the Hearing. Indeed, the Equity Group's position is

² Responses to the Equity Motion are due today; the Noteholder Group will be filing an objection to the Equity Motion.

that “to be clear, we have not agreed to either expedited discovery or an extension.” *See* Exhibit B hereto. Emergency relief is therefore required because the event that precipitated the Discovery -- the “settlement” between the Debtors and Equity Group -- was only disclosed to the Noteholder Group two days ago, and the Discovery is necessary in order that a complete record may be presented at the Hearing.

NO PRIOR REQUEST

6. No prior request for the relief sought herein has been made by the Noteholder Group to this Court or to any other court.

The Noteholder Group respectfully requests entry of an order, substantially in the form attached hereto as Exhibit C, adjourning the Hearing to a date to be determined by the Court.

Dated: February 24, 2023
Houston, Texas

Respectfully submitted

/s/ James T. Grogan III

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*Counsel to the Ad Hoc Group of Secured Convertible
Noteholders*

Certificate of Accuracy

I certify that the foregoing statements are true and accurate to the best of my knowledge. This statement is being made pursuant to Bankruptcy Local Rule 9013-1(i).

/s/ Kenneth Pasquale

Kenneth Pasquale

Certificate of Service

I certify that on November 2, 2022, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ James T. Grogan III

James T. Grogan III